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Anguilla

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Contents

	<i>Paragraphs</i>	<i>Page</i>
I. General	1-2	3
II. Constitutional and political developments	3-11	3
A. History	3	3
B. Constitution	4-7	3
C. Political parties and elections	8-9	4
D. Civil service	10-11	4
III. Economic conditions	12-40	4
A. General	12-14	4
B. Public finance	15-16	5
C. Agriculture and fisheries	17-19	6
D. Industrial development	20-21	6
E. Transport, communications and other basic facilities	22	6
F. Construction	23	6
G. Financial services	24-31	7
H. Environment	32-34	8
I. Tourism	35-37	8
J. Country policy plan	38-40	8



IV. Social conditions	41-52	9
A. General	41	9
B. Disaster preparedness and prevention	42	9
C. Public health	43-44	9
D. Public education	45-47	9
E. Human rights	48-50	10
F. Drugs	51-52	10
V. Participation in international organizations	53-54	10
VI. Future status of the Territory	55-58	11
A. Position of the territorial Government	55	11
B. Position of the administering Power	56-57	11
C. Consideration by the General Assembly	58	12

I. General

1. Anguilla¹ lies 240 kilometres (km) east of Puerto Rico, 113 km north-west of Saint Kitts and Nevis and 8 km north of St. Maarten/Saint Martin. The Territory has a relatively flat topography, a total landmass of 96 km² and includes several offshore islets. The main island has a maximum length of 26 km and a maximum width of 5 km. The capital of Anguilla is The Valley, where 42 per cent of the population reside.

2. At the last census conducted in 1984, the population of Anguilla stood at 6,987 (*United Nations Population and Vital Statistics Report*, Statistical Papers, Series A, vol. LII, No. 1 (1 January 2000)). However, according to information received from the administering Power, the current population of Anguilla is approximately 11,915.²

II. Constitutional and political developments

A. History

3. Originally inhabited by the Arawaks, Anguilla was first colonized by British settlers in 1650. For administrative purposes, it was associated with Saint Kitts and Nevis from 1871 to 1980. Following the dissolution of the Federation of the West Indies in 1962, Saint Kitts-Nevis-Anguilla became a State in association with the United Kingdom. In 1967, the Anguillan people staged a number of demonstrations in demand for secession from Saint Kitts and Nevis. The events following those demonstrations and protracted negotiations between the two parties led to the intervention of the British security forces in 1969 and the enactment of the Anguilla Act of 1971, whereby the United Kingdom reassumed direct responsibility for the administration of the island, appointed a Commissioner and provided for an island council. A separate Constitution came into effect in February 1976. In 1980, the Territory formally withdrew from the Associated State of Saint Kitts-Nevis-Anguilla and became a separate dependency (now Overseas Territory) of the United Kingdom.

B. Constitution

4. In 1981, further constitutional talks between the Governments of Anguilla and the United Kingdom were held. The Chief Minister of Anguilla recommended that a new constitution, while not providing for a full-measure of internal self-government, should nevertheless grant a substantial degree of additional local responsibility to the Government of Anguilla. The House of Assembly of Anguilla approved the changes and the United Kingdom enabled the Anguilla (Constitution) Order to come into force on 1 April 1982. An outline of this Order is provided in the report of the United Nations Visiting Mission to Anguilla of 1984 (see A/AC.109/799, paras. 19 to 27).

5. In brief, based on the Anguilla (Constitution) Order 1982, the Government of Anguilla consists of a Governor, an Executive Council and a House of Assembly. The Governor, who is appointed by the Queen, is responsible for defence, external affairs, internal security, public services and offshore finance. On all other matters, the Governor is required to consult with and act on the advice of the Executive Council. The Executive Council consists of the Governor as Chairman, the Chief Minister, not more than three other ministers and two ex officio members (the Attorney General and the Deputy Governor). The House of Assembly is elected for five-year terms. It comprises a Speaker, seven members elected from single member constituencies, the same two ex officio members as in the Executive Council, and two members nominated by the Governor, one of whom is appointed after consultation with the Chief Minister and the leader of the opposition.

6. The law of Anguilla is the common law of the United Kingdom, together with all legislation inherited from the former Associated State of Saint Kitts-Nevis-Anguilla up to August 1971 and the local legislation enacted since that date. The law is administered by the Eastern Caribbean Supreme Court, which comprises a Court of Appeal and a High Court of Justice, courts of summary jurisdiction and magistrate courts. The Chief Justice of the Organization of Eastern Caribbean States (OECS) Supreme Court has announced the introduction of new initiatives to improve the functioning of the courts in the subregion, which includes Anguilla. These initiatives include the revision of the Supreme Court rules, case management, the need for court reporting

throughout the subregion, computerization, unification of the Family Court, and the need for judicial reform and judicial education.³ According to press reports, the Anguilla Bar Association agrees in principle with the pursuit of a Caribbean Court of Justice to replace the British Privy Council as the legal redress of last resort but it does have reservations about full implementation.⁴

7. In March 1999, the Government of the United Kingdom issued a White Paper on the relationship between the United Kingdom and its Overseas Territories, entitled "Partnership for progress and prosperity: Britain and the Overseas Territories" (for the text, see A/AC.109/1999/1, annex; for key recommendations, see para. 56 below).

C. Political parties and elections

8. Elections were held in March 1999 resulting in the re-election of a coalition Government headed by the Anguilla United Movement (AUM) and the Anguilla Democratic Party (ADP). Other political parties active on the island were the Anguilla National Alliance (ANA) and the Anguillans for Good Government. The next election was due to take place in 2004. However, during the second half of 1999, the Government reached a constitutional deadlock after the resignation of the Minister of Finance led to a boycott of the Parliamentary sessions by members of the ADP opposition. Faced with this situation, Chief Minister Hubert Hughes of AUM asked the Governor, Robert Harris, to dissolve Parliament to make way for new elections in March 2000. For the 3 March 2000 ballot, there were 18 contenders for the seven seats, with 7,500 Anguillans eligible to vote. Voter participation was reported at 46 per cent.⁵ All seven of the individuals who made up the previous Government won back their seats, thus indicating a change in alignment on the part of the voters. A new coalition named the United Front, composed of three members of ANA and one of ADP won a four-seat majority in the seven-seat legislature. AUM, the party of the outgoing Chief Minister Hubert Hughes, took two seats and an independent candidate took the other. The new United Front coalition Government is led by Chief Minister Osbourne Fleming of ANA. The other members of the coalition are Victor Banks (ADP), Minister of Finance; Eric Reid (ANA), Minister of

Education, Health and Social Development; and Kenneth Harrigan (ANA), Minister of Infrastructure.

9. The United Front has declared its aims to be restoration of democracy, good governance, peace, political stability and economic prosperity for the period 2000 to 2005 and beyond. The next national elections are due in March 2005.

D. Civil service

10. With funding from the administering Power, the territorial Government undertook a review and redesign of the public sector from 1996 to 1999. To date, the Public Sector Development Project has accomplished the following:

(a) A job evaluation, rating and grading exercise was completed, leading to increases in salaries;

(b) A performance management system developed and implemented in January 1999;

(c) An organization rationalization exercise was completed and a report and recommendations submitted;

(d) A strategic model of the public service was undertaken and the use of the strategic modelling methodology was effected by the public service;

(e) Functional and efficiency reviews and recommendations for corporatization, outsourcing and privatization of non-core functions of ministries and departments were or will be undertaken.

11. According to the 1999 budget presentation, expenditures by the central Government contributed approximately 13.8 per cent of Anguilla's gross domestic product (GDP) in 1998, a decrease from 14.42 per cent in 1997.

III. Economic conditions

A. General

12. The trend over the past 10 years has been for Anguilla's economy to grow every year (with the exception of 1995 and 1996, when the economy was adversely affected by hurricane Luis). The currency is the Eastern Caribbean dollar with an exchange rate of

US\$ 1 = EC\$ 2.7. Inflation is estimated at the rate of 2.0 per cent. In 1989, gross domestic product (GDP) was approximately EC\$ 135 million and in 1998, approximately EC\$ 245 million. However, although Anguilla has a relatively high GDP per capita of US\$ 7,289, it shares with other eastern Caribbean countries the constraints and vulnerabilities imposed by its small size, a narrow resource base and dependence on external trade. Anguilla's traditional industries, fishing, farming, salt production, livestock rearing and boat building, have in recent years been overshadowed by commercial and residential construction, the tourism industry and a developing offshore finance sector. Currently, the leading sectors of the economy, tourism, construction and government services account for 64.1 per cent of GDP. Tourism accounts for more than 30 per cent of GDP on an annual basis.⁶

13. In his 2000 budget address, the Minister of Finance of Anguilla quoted preliminary OECS figures as indicating that the GDP growth rate for Anguilla in 1999 grew by 8.24 per cent over the 1998 estimate. Similarly, he pointed out that the projection for GDP growth in 2000 was 5.57 per cent. Nonetheless, the Minister also referred to more modest estimates from the Economic Commission for Latin America and the Caribbean (ECLAC), in its report on the impact of hurricane Lenny. ECLAC placed GDP growth in 1999 between 0 and 3 per cent, and its forecast for 2000 was in a range between -4 per cent and +4 per cent. The Minister of Finance has pointed to the Government's intention to promote growth through domestic and inward investment in tourism, financial services and fisheries, and also to fund major infrastructure improvements in the road network and airport facilities. He also emphasized the need to diversify the economy into novel sectors such as electronic (e-)commerce and e-business as these are not so directly affected by the damage and destruction caused by hurricanes and other disasters. Hence the announcement of the establishment on 1 April 2000 of a joint government-private sector task force for the development of e-commerce. Its mandate is to draft and assist the Government to develop and implement a comprehensive legislative, regulatory and infrastructure development strategy for Anguilla with the aims of diversifying the economy and attracting new e-business.⁷

14. Anguilla is very conscious of its vulnerability to the advent of globalization, as stated by ex-Chief

Minister Hughes in his statement to the twenty-second special session of the General Assembly on the review and appraisal of the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (New York, 27 and 28 September 1999). He noted that Anguilla was not only conscious of the threat to its environment but was also concerned about losing its identity in the process of development, which it could only achieve safely if aid flows from the major donor agencies to assist in developing not only the social but also economic infrastructure. According to UNDP, at one time donor assistance to Anguilla averaged US\$5 million per year. There is now little indication of continuing donor support as the island is viewed as a net creditor because of its high per capita income. In 1998, aid totalled US\$ 283,000, of which the European Community provided 73 per cent (most of it used for water distribution projects) and the Caribbean Development Bank disbursed 23 per cent to the Ministry of Finance and the Anguilla Development Board. UNDP contribution was 1.41 per cent and the remaining 1.06 per cent came from Canada.⁸ In addition, capital assistance from the United Kingdom is expected to cease by financial year 2001/02.⁹

B. Public finance

15. Total government revenue for 1998 was EC\$ 72.3 million, out of which the trans-shipment of products from third countries to the European Union provided an unexpected and significant source of revenue of approximately EC\$ 14.2 million. The economics of trans-shipment are as follows: cargo ships from third countries receive a small incentive payment to moor off Anguilla; these ships pay an import duty on the cargo, at a valuation that excludes onward shipping costs. When the cargo reaches Europe, no duty is levied because technically the goods have been transported from a United Kingdom Overseas Territory.⁹ However, trans-shipments were halted in November 1998 as a result of concerns on the part of the administering Power about the practice. Although the matter was partially resolved after talks between the territorial Government and the United Kingdom, trans-shipments were halted for much of 1999. For the Government, the cessation of this trade resulted in considerable decrease in revenue collection. In addition, revenue was negatively affected by other factors, such as the period of political impasse, the threat of the millennium bug

and the damage caused by hurricanes Jose and Lenny, which impacted revenue from tourism. According to the Minister of Finance, the revenue estimate for 2000 is EC\$ 75 million, an 18 per cent increase over 1999 estimates. The increase will come primarily from water rates and through earnings from Anguilla's domain name registration. In addition, it is hoped that the European Union (EU) revision of trans-shipment procedures will favour the Territory.

16. Recurrent expenditure during 1999 increased to EC\$ 69.5 million. The Government's proposal for 2000 is for EC\$ 75 million, the main increases being in the areas of water, education, the treasury, financial services, secondary health care, Attorney-General's chambers, Ministry of Finance, customs and Ministry of Social Services. The local capital expenditure budget for 2000 is set at EC\$ 5 million, of which 50 per cent is to be spent on developing a better road network. The externally funded portion of the capital programme is earmarked mainly for secondary school development and seaport and airport development.

C. Agriculture and fisheries

17. Agricultural activity in Anguilla is extremely limited by a combination of factors, including poor soil, the small amount of arable land and irregular rainfall. Notwithstanding the prevailing dry conditions and the unpredictable rainfall patterns existing in Anguilla, agriculture continues to play an important part in the livelihood of the local people (see A/AC.109/2016, paras. 14 and 15).

18. Recent agricultural initiatives include the expansion of the drip irrigation system, promotion of commercial fruit production, horticultural development and backyard gardening. Other activities have centred around the commercial development of poultry farming, rabbit production and bee-keeping. New techniques in livestock production and fodder conservation are being developed.

19. Fishing is one of the most important economic activities in Anguilla, producing between 300 and 500 tons of fish, lobster and crayfish annually, some of which is exported to neighbouring islands. The Longline Fisheries Development Project, funded in part by the administering Power, is intended to improve Anguilla's fishing industry while relieving pressure on inshore fish stocks.

D. Industrial development

20. In 1997, discussions were initiated with Beal Aerospace Inc., of the United States of America, concerning the construction of satellite launch pads on Sombrero Island, 30 miles north-west of Anguilla. The project was described by the then Minister of Finance as having the potential to spin off very considerable business activity, employment and income for the people and revenue for the Government. In the process it would not only bring greater balance to our economy but also thrust us in the forefront of high technology commercial business.¹⁰

21. In order to address environmental concerns and regulatory requirements, Beal Aerospace commissioned an environmental impact assessment for Sombrero Island and the surrounding waters. According to Beal, its operations would have little or no impact on the environment. The study was completed and submitted to the Government of Anguilla and the administering Power for consideration. Objections from environmentalists, however, including the Royal Society for the Protection of Birds in the United Kingdom, led the Government to deny authorization for the construction of the launch pads.¹¹

E. Transport, communications and other basic facilities

22. The Territory is served by a network of nearly 100 km of all-purpose roads, two major seaports and an airport. In recent years, several major capital improvement projects were completed and others were reported in progress. One such project is the construction of a new jetty at Island Harbour. The Caribbean Development Bank has approved a loan to finance a port development study. It is expected that this study will be completed in 2000. A comparative airport study funded by the United Kingdom Government was also completed this year. The improvement of the airport facility is considered urgent due to its impact upon tourism.

F. Construction

23. The construction sector is the second largest contributor to GDP after tourism; it has maintained its

high level of contribution to GDP, with an average of 14.3 per cent for the past years. Most of the construction was for private residences, although a 93-room hotel was scheduled for completion in 1999.¹² Output in this sector depends heavily upon and is derived from demand in the other sectors of the economy and is, therefore, considered an excellent barometer of the level of new investment taking place in the economy.

G. Financial services

24. Anguilla is a zero-tax jurisdiction promoted for offshore banking and, as a United Kingdom Overseas Territory, politically stable. The territorial Government has developed a comprehensive package of corporation and offshore financial business legislation, including the Companies Ordinance, the Limited Liability Companies Ordinance and the International Business Companies Ordinance. Costs for the formation and licensing of companies in Anguilla are competitive, as are company management fees. Among the incentives that apply to the establishment of offshore banks and trusts are that there are no exchange controls or restrictions on transfers of security and earnings may be retained offshore and repatriated freely.

25. The administering Power has supported the development of the financial services sector through the provision of a Director of Financial Services and the development of a computerized on-line registration network.¹³ Anguilla's Commercial On-line Registration Network, also known as ACORN, is an innovative piece of software which allows on-line registration of companies 24 hours a day and is expected to provide substantial returns over the medium term on the EC\$ 3.4 million investment.

26. In 1998, revenues from the financial services sector were approximately EC\$ 1.7 million; the territorial Government anticipates that, with a vigorous marketing plan in place, revenues will have more than doubled, to EC\$ 5 million, by 2001.

27. OECD seeks a review of the taxation regimes of jurisdictions which appear to offer an unfair advantage and which might be open to international financial crimes. Anguilla is among the 20 countries listed by OECD which it says have harmful tax regimes. The Financial Stability Forum (FSF), which was created in 1999 by policy makers from the Group of Seven (G-7)

leading industrialized nations, put several Caribbean offshore financial centres (including Anguilla) in the worst of three categories regarding the risk they pose to financial stability. Anguillan officials said the FSF survey took no account of steps being taken to improve supervisory practices in the jurisdiction.¹⁴

28. In reply to criticism of the tax haven jurisdictions in the Caribbean, the Director of the National Bank of Anguilla responded that critics from outside the region were unfair. He argued that Caribbean jurisdictions have 12 per cent of the global tax haven deposits, while OECD States, led by Switzerland and Luxembourg, have 60 per cent.¹⁵

29. A similar position was voiced by the then Chief Minister, Hubert Hughes, in his address to the twenty-second special session of the General Assembly on the review and appraisal of the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, held from 27 to 28 September 1999, in New York. He stated his concern that the G-7 group of industrial countries make allegations of unfair tax legislation and unfair competition by small island developing States, which depend on the financial services industry as a second plank of income being necessary to sustain some degree of development and financial diversification.

30. A review of the financial services of British Overseas Territories in the region has been jointly commissioned by the United Kingdom Foreign and Commonwealth Office and the Governments of the territories in the region. The review is being conducted by independent analysts and should be completed by June 2000. All banking practices and legislation will be reviewed, including legislation covering the offshore insurance industry, the securities sector, companies and trusts, independent regulatory authorities, international cooperation and anti-money-laundering legislation and preventive measures.

31. In March 2000, financial experts from Anguilla and representatives of other territories attended a United Nations offshore forum convened in the Cayman Islands by the Global Programme against Money-laundering. The objective of the forum is to obtain global commitment to internationally accepted standards of financial regulation and anti-money-laundering measures as they apply to the provision of cross-border financial services.¹⁶

H. Environment

32. According to information received from the administering Power, Anguilla has one of the most important largely unbroken coral reefs in the Eastern Caribbean. Its coastal and marine biodiversity (including fish, seabirds and marine turtles) is the island's most important natural asset. Sombrero Island provides 70 per cent of the nesting habitat of the masked booby and other Caribbean seabirds.¹⁷

33. Although environmental considerations have been incorporated into major tourism policy statements, Anguilla has experienced the impact of both tourism- and non-tourism-related activities. Coastal erosion and damage to pristine areas and archaeological sites have resulted from land clearing, mining and construction activities, and there is an increasing risk of groundwater pollution from domestic and hotel effluents. The destruction of coastal mangroves and wetlands has led to loss of wildlife habitats. Another view of environmental concern is disaster mitigation and management in view of the fact that the island lies in the hurricane belt.¹⁸ According to ECLAC, direct hurricane damage in two days in November 1999 was estimated at US\$ 177.8 million, excluding environmental damage.

34. In recent years, there have been a number of large-scale environmental conservation projects developed in Anguilla. One of these is a project to conserve wild seabirds, funded by the United Kingdom's Darwin Initiative. Another is a sand dune rehabilitation pilot project launched by the Department of Fisheries and Natural Resources, in partnership with the Planning Department and Anguilla's National Trust. This project is funded by the United States Agency for International Development (USAID) through the United Nations Environment Programme and administered by OECS.

I. Tourism

35. Anguilla is an up-market tourist destination, with high standard, expensive hotels. Tourism, accounts for the largest portion of GDP, both directly and indirectly, through links with the construction, agriculture, fishing, banking and finance, communications and trade sectors.

36. The Government of Anguilla has increased its efforts to promote tourism and to diversify Anguilla's tourism product. The Tourist Board is contributing significantly to Anguilla's marketing efforts through increased mobilization of resources and the implementation of a tourism strategic marketing plan developed under the EU-financed Caribbean Tourism Development Programme, as well as a United Kingdom-funded Tourism Promotion and Development Project.

37. Tourist arrivals totalled 46,782 in 1999, a 6.6 per cent increase over 1998, the most significant increase being in the months of March, September and October, which recorded increases of 25 per cent, 52 per cent and 21 per cent, respectively. September, which is a relatively slow period, recorded 1,765 tourists arrivals, which surpassed the previous record set in 1994, when 1,688 tourists visited the Island. The United States continues to be the dominant source of tourist arrivals to Anguilla, accounting for 55.5 per cent or 25,960 of the 46,782 tourist arrivals in 1999. Arrivals from the Caribbean increased by 25.2 per cent over 1998 and it still maintains its position as the second most important source market, accounting for 12.8 per cent of overall tourist arrivals. One of Anguilla's new markets, Italy, showed an increase of 33.9 per cent and accounted for 11.4 per cent of the island's market share; the other new market, Germany, recorded a marginal increase of 0.2 per cent tourist arrivals. The overall visitor expenditure was estimated at EC\$ 152.5 million (US\$ 56.5 million), a decline of 2.7 per cent in comparison to the 1998 total.¹⁹

J. Country policy plan

38. In August 1993, Anguilla signed with the United Kingdom the first country policy plan covering the period from 1993/94 to 1996/97. The plan was the first to be agreed upon between the administering Power and a Caribbean dependent Territory. It outlined the commitment of both the Government of Anguilla and the United Kingdom to a new and closer policy of dialogue and partnership.

39. The administering Power has stated that the main aim of its development assistance programme to Anguilla is to support economic growth and self-sufficiency through sensible economic and financial management and, in the meantime, to help to ensure that basic needs are met, including the provision of

essential infrastructure in the education sector. The development strategy for Anguilla's future will be discussed in the context of the next country policy plan which will be directed at Anguilla's graduation from United Kingdom capital assistance by financial year 2001/02 with continued support for sound economic and financial management and good government.

40. According to the Anguillian 2000 budget address, the newly appointed Chief Minister and the Minister of Finance met with authorities in the United Kingdom at the end of March 2000, at which meeting they received assurances that an amount of \$13 million would be earmarked for Anguilla. A British team is to review the country policy plan in June 2000.²⁰

IV. Social conditions

A. General

41. Based on its social indicators, Anguilla compares favourably with countries of the region within the human development index. According to UNDP, the child mortality rate is low, life expectancy is 75 years, adult literacy is 95 per cent and unemployment is negligible. Approximately 25 per cent of the 4,000 indigenous workers are employed in tourism, 16 per cent in the civil service and 10 per cent in part-time agriculture; 5 per cent are on income support. The remaining 44 per cent are engaged in private sector activities, including microenterprises. Allowances to needy senior citizens and grants to financially disadvantaged children have been significantly increased on several occasions over the past five years.

B. Disaster preparedness and prevention

42. Anguilla is a member of the Caribbean Disaster Emergency Response Agency (CDERA). Following the devastating effects of hurricane Lenny in November 1999, it was a beneficiary of the CDERA coordinated hurricane Lenny appeal. It also received a loan of US\$ 3.7 million from the Caribbean Development Bank to undertake rehabilitation and reconstruction activities (for further information, contact: www.cdera.org). In addition, Anguilla benefits from the activities of the Caribbean Disaster Mitigation Project, which is a joint project of the Organization of American States and USAID.

C. Public health

43. The Government remains committed to providing primary health care for all Anguillians. The Territory is served by the 24-bed Cottage Hospital and the Princess Alexandra Hospital, a 36-bed facility financed by the United Kingdom.

44. In the 2000 budget, the Government announced an increase in funding for secondary health care from the 1999 estimate of EC\$ 6 million to EC\$ 6.8 million; 80 per cent of the increase will be directed to staff emoluments in order to ensure that the Princess Alexandra Hospital is adequately staffed and the quality of health care improves.

D. Public education

45. Education is free and compulsory between the ages of 5 and 14. There are six government primary schools and one government secondary school, the Albena Lake-Hodge Comprehensive. As part of the government policy to enable Anguilla to meet both its present and future needs, the problem of overcrowding is being addressed by the construction of another campus, as well as the implementation of curriculum reforms.

46. According to the 2000 budget, education will receive an increase of 13 per cent from EC\$ 10.37 million in 1999 to EC\$ 11.81 million in 2000. In 1998, a major review of the system was undertaken and a draft five-year education sector development plan prepared. The plan focuses on physical and environmental improvements, curriculum development, expansion of special education, increased support for early childhood education, rationalization of pre-vocational education, expansion of computer skills education, management development and professional development of principals and teachers. This project is being financed by the Government of the United Kingdom in the amount of £2.72 million, together with counterpart funding by the Government of Anguilla.

47. In addition, in order for Anguilla to fully benefit from the information age, the Government has underlined the need to focus education on the use of information technology and to include information technology and computer literacy in the core curriculum of the national educational system. According to the Minister of Finance, this calls for the

development of networked schools with access to the World Wide Web.

E. Human rights

48. The Territory is subject to certain major human rights conventions that were acceded to by the administering Power. These include the International Convention on the Elimination of All Forms of Racial Discrimination and the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

49. In a report submitted to the United Nations Committee against Torture under article 19 of the Convention on 1 April 1998, the administering Power made the following statements with respect to Anguilla:

"169. The Government of Anguilla continues at all times to seek to ensure that the requirements of the Convention are scrupulously observed.

"174. With reference to the question of judicial corporal punishment, it can be reported that a bill has been introduced in the Anguilla House of Assembly to abolish the power to order such punishment and also corporal punishment for prison offences ...

"175. The Education Ordinance 1993 — and there are no present plans to amend it in this respect — still provides for the administering of corporal punishment in schools but only 'where no other punishment is considered suitable or effective, and only by the Principal, Deputy Principal or any teacher appointed by the Principal for that purpose, in a manner which is in conformity with the guidelines issued in writing by the Chief Education Officer'. The Ordinance expressly provides that 'in the enforcement of discipline in public schools and assisted private schools degrading or injurious punishment shall not be administered'."

50. Human rights issues in the Overseas Territories were addressed by the administering Power in the above-mentioned White Paper (see para. 6 above). With respect to the possibility of introducing reform of current legislation banning homosexual acts, the former Chief Minister of Anguilla expressed his opposition to

initiating a bill to such effect in the Anguilla House of Assembly.

F. Drugs

51. According to a United States Department of State international narcotics control strategy report on the Caribbean of March 1999, in general the British Overseas Territories in the Caribbean are not significant drug-producing locations but are drug-trans-shipment points. Anguilla's geographical position makes it a prime trans-shipment route, particularly vulnerable to airdrops of cocaine in the surrounding seas and offshore islands. The drops generally are destined for other nearby islands. However, cooperation among Anguillians, French and Dutch officials in St. Martin is good. Senior police officers routinely hold joint meetings to address issues and exchange drug-related information. The French in St. Martin have become more active in taking measures to reduce the transfer of small quantities of drugs to Anguilla via passenger ferry. The United Kingdom has allocated US\$ 690,000 towards a Caribbean-wide, drug-law enforcement training programme. During 1998, Anguilla forces seized 5,420 kilograms of marijuana, 40 cannabis plants, eight cannabis seeds, and 111 grams of cocaine, and arrested 36 people on drug-related offences.²¹

52. Good maritime cooperation between the United States, the Caribbean Overseas Territories and the United Kingdom exists in the Caribbean region. An example of which is Anguilla participation in Operation Conquistador, a 17-day crackdown organized by the United States Drug Enforcement Administration, designed to disrupt drug trafficking in the source countries and throughout the regional distribution chain, the arrests and seizures results of which were extremely impressive.²²

V. Participation in international organizations

53. The Government of Anguilla cooperates directly with other Caribbean Governments and participates in regional conferences and projects organized by Governments and regional and international organizations and agencies. The first United Nations Development Programme country cooperation

framework for Anguilla, which was approved by the Executive Board in 1997 for the period January 1997 to December 1999, has been extended through December 2000, due to the fact that national development priorities have not changed and therefore the component projects of the framework remain relevant. (See DP/CCF/ANL/1/EXTENSION 1.) The Territory is a member of the Caribbean Development Bank, the University of the West Indies and the Eastern Caribbean Central Bank, and holds observer status in the Organization of Eastern Caribbean States. The Territory is represented at the annual meetings of the Caribbean Group for Cooperation in Economic Development, sponsored by the World Bank. On 28 September 1999, Chief Minister Hughes addressed the General Assembly's special session on the implementation of the 1994 Programme of Action for the Sustainable Development of Small Island Developing States on behalf of Anguilla, the British Virgin Islands, the Turks and Caicos Islands and Montserrat. Anguilla had participated in the Global Conference on the Sustainable Development of Small Island Developing States in 1994 as a member of the United Kingdom delegation. The Chief Minister stated that because Anguilla is a tourist economy, the island has a high per capita income and as a consequence does not qualify for many United Nations aid programmes. He went on to state that while it is true that very high wages are paid out to the 10 per cent top-paid expatriate technical and managerial staff in the tourism and now growing financial services industries, the bulk of the local workers are paid very small wages. He felt that that was unfair and that that means of assessing the needs of the Territory should be revisited. (for details of current donor assistance to Anguilla, see para. 14).

54. As a British Overseas Territory, Anguilla's relationship with the European Union is governed by Britain's legislation and British agreements with her European partners.

VI. Future status of the Territory

A. Position of the territorial Government

55. At a meeting of the Eastern Caribbean Central Bank's Monetary Council in July 1999, the former Chief Minister of Antigua, Hubert Hughes, expressed the view that the wide-ranging discretionary powers vested in the resident British Governor thwart the

development interests of the territories' political directorate. He added that the island was striving to understand the true relationship with the administering Power, specifically the relationship between the Governor's powers and that of the elected leadership.²³ In a speech at the oaths of allegiance for the new Governor, Peter Johnstone, former Chief Minister, stated that colonial governors promote Britain's interests, which in most cases are against the interests of the people they are sent to govern. He added that the United Kingdom Government should extend its domestic commitment to devolution to its colonies, and stated that Anguilla would be seeking the same power of self-determination that Wales and Scotland now enjoy.²⁴ According to the 2000 budget address, the new United Front coalition Government, which gained power in March 2000, has called for the fostering of a spirit of creative, flexible, strong and committed partnership with the Government of the United Kingdom in order to achieve Anguilla's development objectives. Such a partnership is also expected to promote progress in the constitutional and political fields.

B. Position of the administering Power

56. Key recommendations of the administering Power contained in the White Paper (see para. 7 above) are noted below:

(a) In future the Territories would be known as the United Kingdom Overseas Territories, in short Overseas Territories;

(b) British citizenship (and so the right of abode) would be offered to those people of the Overseas Territories who did not already enjoy it and who met certain conditions;

(c) Those who did not want to take it up would be able to remain British Dependent Territories citizens;

(d) British Overseas Citizens would not be included in this offer, nor would it apply to people who owed their British Dependent Territories citizenship to links with the British Indian Ocean Territory or the Sovereign Bases on Cyprus;

(e) The offer of citizenship would be on a non-reciprocal basis (as far as the right of abode is concerned). No conditional links have been made

between the offer and other obligations set out in the White Paper;

(f) Administrative and representational arrangements would include:

(i) The establishment of parallel Overseas Territories structures in the Foreign and Commonwealth Office and the Department for International Development;

(ii) The appointment of Baroness Symons as Minister with responsibility for the Overseas Territories;

(iii) The creation of an Overseas Territories Consultative Council to bring together British Ministers and the Chief Ministers of the Overseas Territories or their equivalents;

(iv) The designation of a First Secretary in the office of the Permanent Representative of the United Kingdom to the European Union as the point of contact for the Overseas Territories with the European Union;

(g) In terms of good governance, provision would be made for:

(i) Improved regulation of the financial service industries in the Overseas Territories to meet internationally acceptable standards, and to combat financial crime and regulatory abuse;

(ii) Measures to promote greater cooperation with international regulators and law enforcers so as to share information and improve worldwide financial regulation;

(iii) Enhanced measure to combat drug trafficking and drug-related crime;

(iv) Reform of local legislation in some Territories to comply with the same standards of human rights as those existing in the United Kingdom with regard to capital punishment and consensual homosexual acts. If local action is not taken Her Majesty's Government would enforce the necessary changes;

(h) Measures for sustainable development would include:

(i) Partnership between Her Majesty's Government and the Overseas Territories to promote economic growth and self-sufficiency;

(ii) Confirmation that the reasonable assistance needs of the Overseas Territories would be a priority in the development programme;

(iii) Continued budgetary aid for Montserrat and St. Helena;

(iv) Strengthened procedures and guidelines on borrowing by the Overseas Territories;

(v) Enhanced policies, legislation and standards for the protection and management of the rich natural environment of the Territories;

(vi) Increased funds (£1.5 million over three years) to assist in creating and implementing environmental programmes;

(vii) Agreement of an environmental charter between the United Kingdom and the Overseas Territories;

(viii) Technical support, training and cooperative schemes to build local capacity to manage and monitor the environment.

57. According to press reports, after a three-year appointment as Governor of Anguilla, outgoing Governor Harris expressed doubts as to the usefulness of his stay in the Territory. He went on to state that the people of Anguilla have to make a choice either to go independent or accept the very light conditions that Britain imposes for its relationship with this country — to work together with the British rather than in conflict with them.²⁵ Mr. Harris has been succeeded by Peter Johnstone.

C. Consideration by the General Assembly

58. On 6 December 1999, the General Assembly adopted resolution 54/90 B, a consolidated resolution on 11 Non-Self-Governing Territories, section II of which is specifically devoted to Anguilla.

Notes

- ¹ The information contained in the present paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 9 May 2000. The facts and figures presented in the working paper are the latest information available.
- ² United Kingdom White Paper entitled "Partnership for progress and prosperity", appendix I, March 1999.
- ³ *The Light*, No. 302.
- ⁴ *Ibid.*, No. 304.
- ⁵ *Overseas Territories Review*, Caribbean Information Services, April 1999.
- ⁶ UNDP, "Extension of first country cooperation framework for Anguilla", 29 February 2000.
- ⁷ Press release, accessed at: www.anguillaoftshore.com, 30 March 2000.
- ⁸ Paper prepared by UNDP Barbados office, August 1999.
- ⁹ United Kingdom White Paper ...
- ¹⁰ Government of Anguilla, 1999 budget.
- ¹¹ *Financial Times*, 6 June 2000.
- ¹² Paper prepared by UNDP Barbados office, August 1999.
- ¹³ United Kingdom White Paper ...
- ¹⁴ *Financial Times*, 5 June 2000.
- ¹⁵ *Ibid.*, 22 February 2000.
- ¹⁶ Facsimile from UNDCP, 21 June 2000.
- ¹⁷ *Financial Times*, 7 June 2000.
- ¹⁸ UNDP, "Extension of first country cooperation framework for Anguilla", 29 February 2000.
- ¹⁹ Government of Anguilla, *Statistical Review of Tourism*, 1999.
- ²⁰ *The Daily Herald*, St. Maarten, 26 June 2000, accessed at: www.thedailyherald.com.
- ²¹ United States Department of State, international narcotics control strategy report, March 1999.
- ²² Reuters Newsedge, 29 March 2000.
- ²³ *The Light*, No. 307.
- ²⁴ *Financial Times*, 9 March 2000.
- ²⁵ Associated Press/*The Royal Gazette*, 28 January 2000.